**Annual financial sustainability report - Appendices**

 **2016-17**

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#  Actuarial Control Cycle

## Introduction

The actuarial control cycle is the methodology for monitoring scheme financial sustainability. This framework allows for continuous evaluation of the NDIS.

At a high level the key features of the actuarial control cycle are (Figure A.1):

* **Setting of baseline assumptions and projections** including estimates of aggregate participant numbers and costs, participant numbers broken down into reference groups, and estimates of the distribution of annual and lifetime costs associated with each reference group. These baseline assumptions are used to project scheme costs both on an aggregated and disaggregated basis.
* **Monitoring of experience compared with expectations** – this requires monitoring participant outcomes and scheme costs based on a wide range of variables, both in aggregate and at the reference group level.
* **Investigation of emerging trends and experience** – using the information obtained in the monitoring, detailed analysis of where and why actual experience has deviated from expected experience is undertaken.
* The **emerging experience** identified in the monitoring and investigation is **incorporated into assumptions and projections** going forward.

A key feature of the actuarial control cycle is the continuous and cyclical nature of the process – this allows continuous evaluation of performance, both participant outcomes and scheme financial sustainability. This cycle is described in more detail in the remainder of this section.

Figure . Monitoring scheme financial sustainability (actuarial control cycle)



## Baseline projections

An aggregate estimate of the number of people likely to receive an individualised support package under the NDIS and the cost of these support packages was derived by the Productivity Commission – approximately 432,100 people and $16.5 billion (in 2016-17 values). A key purpose of the cycle of actuarial valuations (including this financial sustainability report) is to test the reasonableness of these estimates and to refine them as appropriate.

Additional assumptions have been developed to assist in monitoring the cost of supporting participants over their lifetime. These assumptions enhance the Productivity Commission modelling by determining the trajectory of costs - however, the overall Productivity Commission modelling parameters remain the same.

These additional assumptions divide the aggregate participant numbers into reference groups. Reference groups are groups of participants with similar characteristics. For each reference group:

* An average estimated expected cost (both an annual expected cost and an expected lifetime cost) was determined.[[1]](#footnote-1)
* Assumptions on new incidence, mortality, and rates of exiting the scheme were determined.

Key variables in the reference groups are:

* Age – costs are assumed to increase with age.[[2]](#footnote-2)
* Disability – this assists with projecting the trajectory of costs over time. For example, participants with degenerative disabilities are likely to require more support over time more quickly than participants without degenerative conditions.
* Severity indicators providing information on function.
* Level of informal/community support available.

Further information on reference packages is included in section 3.3.1 of the main report.

In addition to the assumptions discussed above, it is also important to establish baseline participant outcomes across the lifespan, including key life transition points (such as starting school, entering the workforce, and leaving home). A participant outcomes framework has been developed and focuses on a number of domains across the life span. Underpinning the outcomes framework are the principles of independence, self-management, social inclusion, and economic participation. The adult participant domains are:

* choice and control
* daily activities
* relationships
* home
* health and wellbeing
* lifelong learning
* work
* social, community and civic participation.

Family/carer outcomes are also collected.

## Monitoring and investigation of actual experience

Actual experience is compared with expected experience and detailed analysis of deviations undertaken. The expected experience is derived from the baseline assumptions. Deviations include:

* higher or lower number of participants
* higher or lower scheme costs
* better or worse participant outcomes.

Detailed actuarial analysis as to the reasons for these deviations between actual and expected experience is then possible. Possible drivers of deviations include (Figure A.2):

* specific participant characteristics (as determined using the reference group data)
* geography and community inclusiveness
* support from family and friends
* service providers
* availability of supports
* cost of supports – both unit cost and intensity of utilisation
* local area coordination and planning
* use of mainstream services.

Figure A. Monitoring participant outcomes and costs



This new scheme experience is incorporated into scheme projections and forms the new baseline assumptions.

## Continuous improvement

The actuarial control cycle is the methodology for monitoring financial sustainability and participant outcomes. This methodology allows for continuous evaluation, and provides NDIA management and the NDIA Board with the information required to make decisions to continue to manage financial sustainability and improve participant outcomes.

As the scheme experience emerges this methodology will allow:

* Identification of successful early investment which leads to good outcomes, including detailed benefit-cost analysis. Life trajectories can be measured and compared for participants with similar characteristics.
* Identification of models of support which lead to increased independence by monitoring life trajectories.
* Benchmarking of participant groups across a number of factors including geography.
* Measurement of the change over time with regards to participant outcomes related to personal goals.
* Measurement of the reduction in the gap between Australia and other OECD countries in including people with a disability in society.
* Measurement of the reduction in the gap between people with a disability and people without a disability in Australia.

Importantly this analysis happens continuously – hence, continuous evaluation of the scheme, and distinguishes the insurance model from “time-limited evaluation”. This fundamental characteristic of the scheme reinforces the need for rigorous longitudinal data on scheme participants.

# Financial Information

## Reconciliation of financial information

Table B.1 Reconciliation of cash payments (2016-17 payment year)



## Payment triangulation

Table B.2 Payments including off system in kind (Scheme to date as at 30 June 2017)



# Participants

**Figure C.1 Hunter new entrants by age group**



**Figure C.2 Barwon new entrants by age group**



# Committed Supports

## Level of function

Figure D.1 shows the distribution of participants and committed supports by level of function. Participants with high levels of function (1 to 5) make up 38% of all participants but only 18% of costs. Conversely, participants with low levels of function (11 to 15) make up 23% of participants but account for 47% of costs.

**Figure D.1 Distribution of participants and committed supports by level of function**



## Committed support category

Figure D.2 shows a breakdown of total committed supports by support type, with 73% of committed supports expected to be provided for core supports, 23% for capacity building, and 4% for capital supports. Assistance with daily activities is the most common support type, accounting for 64% of total committed supports.[[3]](#footnote-3) Note that the distribution of supports is influenced by the phasing schedule and as such, may not be representative of the full scheme distribution.

**Figure D.2 Distribution of committed supports by support category**

## Core, capacity building and capital

**Figure D.3 Distribution of core, capacity building and capital supports by age group**



**Figure D.4 Distribution of core, capacity building and capital supports by disability**



## Comparison of actual versus expected experience

Figure D.5 compares actual participant and committed support experience with expected experience for transition participants that have completed guided planning.

* Extrapolating actual costs by age group, disability and level of function to full scheme results in a higher annual cost of between 7% and 15%.
* Adjusting for participants with moderate intellectual disability in shared supported accommodation results in the annual cost estimate being in line with expected.

**Figure D.5 Comparison of actual versus expected experience at 30 June 2017**



# Participant Outcomes

**Table E.1 Selected key indicators for participants – Daily Living (DL) and Choice and Control (CC)**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **Indicator** | **0 to before school** | **School to 14** | **15 to 24** | **25 and over** |
| DL | % with concerns in 6 or more of the areas: gross motor skills, fine motor skills, self-care, eating, social interaction, communication, cognitive development, sensory processing | 60% |  |  |  |
| CC | % who say their child is able to tell them what he/she wants | 79% |  |  |  |
| DL | % developing functional, learning and coping skills appropriate to their ability and circumstances |  | 32% |  |  |
| DL | % who say their child is becoming more independent |  | 43% |  |  |
| CC | % of children who have a genuine say in decisions about themselves |  | 66% |  |  |
| CC | % who are happy with the level of independence/control they have now |   |   | 40% |   |
| CC | % who choose who supports them |   |   | 33% | 52% |
| CC | % who choose what they do each day |   |   | 43% | 61% |
| CC | % who had been given the opportunity to participate in a self-advocacy group meeting |   |   | 22% | 28% |
| CC | % who want more choice and control in their life |   |   | 71% | 65% |

Table . Selected key indicators for participants – Relationships (REL) and Social/ Community Participation (S/CP)

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **Indicator** | **0 to before school** | **School to 14** | **15 to 24** | **25 and over** |
| REL | % of children who can make friends with people outside the family | 66% | 62% |   |   |
| S/CP | % of children who participate in age appropriate community, cultural or religious activities | 57% |   |   |   |
| REL | % of children who spend time after school and on weekends with friends and/or in mainstream progs |   | 35% |   |   |
| REL | Of these, % who are welcomed or actively included | 63% | 77% |   |   |
| REL | % of children who spend time with friends without an adult present |   | 14% |   |   |
| REL | % with no friends other than family or paid staff |   |   | 28% | 25% |
| S/CP | % who have been actively involved in a community, cultural or religious group in the last 12 months |   |   | 31% | 36% |

Table . Selected key indicators for participants – Lifelong Learning (LL), Work (WK), Home (HM) and Health and Wellbeing (HW)

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **Indicator** | **0 to before school** | **School to 14** | **15 to 24** | **25 and over** |
| LL | % of children attending school in a mainstream class |   | 52% |   |   |
| HM | % who are happy with their home |   |   | 83% | 78% |
| HM | % who feel safe or very safe in their home |   |   | 87% | 78% |
| HW | % who rate their health as good, very good or excellent |   |   | 70% | 50% |
| HW | % who did not have any difficulties accessing health services |   |   | 70% | 70% |
| LL | % who currently attend or previously attended school in a mainstream class |   |   | 27% |   |
| LL | % who participate in education, training or skill development |   |   |   | 13% |
| LL | Of those who participate, % who do so in mainstream settings |   |   |   | 50% |
| LL | % unable to do a course or training they wanted to do in the last 12 months |   |   |   | 32% |
| WK | % who have a paid job |   |   | 16% | 26% |
| WK | % who volunteer |   |   | 13% | 13% |

Table . Selected key indicators for families/ carers of participants

|  |  |  |  |
| --- | --- | --- | --- |
| **Indicator** | **0 to 14** | **15 to 24** | **25 and over** |
| % receiving Carer Payment | 25% | 29% | 21% |
| % receiving Carer Allowance | 54% | 51% | 24% |
| % working in a paid job | 45% | 47% | 30% |
| Of those in a paid job, % in permanent employment | 74% | 73% | 76% |
| Of those in a paid job, % working 15 hours or more | 78% | 84% | 81% |
| % who say they (and their partner) are able to work as much as they want | 42% | 47% | 57% |
| Of those unable to work as much as they want, % who say the situation of their child/family member with disability is a barrier to working more | 86% | 88% | 81% |
| Of those unable to work as much as they want, % who say insufficient flexibility of jobs is a barrier to working more | 39% | 34% | 27% |
| % able to advocate for their child/family member | 78% | 74% | 69% |
| % who have friends and family they see as often as they like | 45% | 47% | 48% |
| % who feel very confident or somewhat confident in supporting their child's development | 86% |   |   |
| % who know what their family can do to enable their family member with disability to become as independent as possible |   | 46% |   |
| % who feel in control selecting services |   | 41% | 46% |
| % who have made plans (or begun to make plans) for when they are no longer able to care for their family member with disability |   |   | 36% |
| % who rate their health as good, very good or excellent | 73% | 65% | 58% |

# Baseline Projection

## Assumptions used in baseline projections

This section details the assumptions used in the projections.

### Mortality multipliers

**Table F.1 Male mortality multipliers by age, disability and level of function[[4]](#footnote-4)**



**Table F.2 Female mortality multipliers by age, disability and level of function[[5]](#footnote-5)**



### New incidence assumptions

**Table F.3 Male participant new incidence at 30 June 2020**



**Table F.4 Male participant new incidence (per 100,000 people in population)**



**Table F.5 Female participant new incidence at 30 June 2020**



**Table F.6 Female participant new incidence (per 100,000 people in population)**



### Exit rate assumptions

**Table F.7 Non-mortality exit rate assumptions by age group and disability**



**Table F.8 Mortality exit rate assumptions by age group and disability**



**Table F.9 Combined exit rate assumptions by age group and disability**



### Cost assumptions

**Table F.10 Cost assumptions by disability, level of function and age[[6]](#footnote-6)**



### Economic assumptions

The inflation assumptions used in the projections are presented in Table F.11. The impact of the SACS award considers the proportion of supports that are wage related and the proportion of wage-related supports on the SACS award.

**Table F.11 Inflation and SACS assumptions**



**Figure F.1 CPI inflation (%) from June 2000 to June 2017**



**Figure F.2 Wage price index inflation (%) from June 2000 to June 2017**



## Baseline projection

### Scheme cost by age and disability

**Table F.12 Total Scheme costs by disability group ($m)**



**Table F.13 Total Scheme costs by age group ($m)**



### Lifetime cost estimates

The following table shows how the lifetime cost estimates of current scheme participants vary by age, disability and level of function. Estimates have been excluded where there are fewer than 20 active scheme participants in any cell.

**Table F.14 Lifetime cost estimates by age, disability and level of function for current scheme participants[[7]](#footnote-7)**



# Scenario Analysis

## Using actual committed supports experience

The tables below show committed support assumptions using actual Scheme experience to 30 June 2017.

**Table G.1 Committed supports assumptions by age, disability and level of function, excluding participants in shared supported accommodation[[8]](#footnote-8)**



**Table G.2 Committed supports assumptions by age, disability and level of function for participants in shared supported accommodation[[9]](#footnote-9)**



# Short Term Projections

## 2016-17 projection

This 2016-17 projection compares revenue received with committed and utilised support, noting that revenue in the bilateral agreements is not the expected package amount as modelled using the guided planning process.

The assumptions and commentary on the 2016-17 projection are as follows:

* The accounting surplus/deficit is presented as well as the cash surplus/deficit. The difference is due to the States/Territories paying invoices in arrears (as discussed in section 2) and assumptions on the payment pattern (that is, assumptions on the lag between when support is provided and when it is paid).
* The starting point is the original bilateral agreement. If participant phasing and utilised support was in line with expected, the NDIA would receive $3,353.5 million in both cash and in-kind and $3.353.5 million would be paid, resulting in no surplus or deficit. Allowing for the time lag in making payments to providers results in a small surplus of $40.9 million.[[10]](#footnote-10) Note that the previous projection model, based on the rate of payment observed during trial, showed a small deficit. Experience in transition has now been modelled, and shows that to date payments have been made at a slower rate than in trial.
* As the phasing of participants has not been in line with the bilateral agreement phasing schedules, the revenue received by the NDIA will be less than originally forecast – estimated at $2,593.2 million. In the absence of any variance between assumed costs and assumed revenue, committed supports will move in tandem with revenue when actual participant numbers are incorporated.[[11]](#footnote-11) However, there is an impact on the cash-flow basis of this change.
* In-kind prices are also higher than NDIA prices. If average package costs are assumed to be in line with the bilateral agreements but with the additional cost of higher in-kind prices, a deficit of $81.6 million is estimated (3.1%), as committed support rises to $2,674.8 million. (This impact is incorporated into the same scenario as actual participant numbers, such that the combined effect of numbers and costs for in-kind are understood.) The main drivers of the higher in-kind prices are participants in shared supported accommodation and large residential centres in New South Wales and Victoria. This is based on the participants who have entered the scheme to date with in-kind in their packages and the expected participants who will enter the scheme with in-kind in their packages.
* Actual committed supports are higher than expected, over and above the impact of in-kind. Committed support (for both trial and transition participants) is based on the participant’s most recent plan and this is projected forward without superimposed inflation, noting that any superimposed inflation in committed support to the balance date is implicitly captured. Superimposed inflation has not been added to the projection as the true underlying superimposed inflation rate is difficult to determine due to data integrity issues. Therefore, assuming that package costs for each cohort are in line with experience to date for participants entering from June 2016, the deficit increases to $561.0 million (17.8%).
* Utilisation of cash supports is likely to be less than 100%. Assuming a cash utilisation rate of 70%[[12]](#footnote-12) results in a surplus of $248.1 million (10.6%). Note: the previous model provided a number of utilisation scenarios for 2016-17. Payments experience to date has been analysed and a projected figure of 70% cash utilisation (or 75% overall utilisation) is the figure recommended for use in NDIA’s financial statements.[[13]](#footnote-13)
* Lastly, based on the above assumptions, the cash position results in a higher surplus than the accrual position due to the delay in making payments to providers – a surplus of $389.9 million (26.8%) compared with $248.1 million (10.6%), assuming a cash utilisation rate of 70%.

Note that, unless stated otherwise, all references to utilisation in this section of the report refer to cash utilisation. In-kind supports have been assumed to be 100% utilised.

**Table H.1 2016-17 projection – impact of assumptions**

|  |  |  |
| --- | --- | --- |
|   | **Accounting surplus/deficit ($m)** | **Cash surplus/deficit ($m)** |
| ***1. Baseline - original bilateral agreement*** |   |
| Contributions | 3,353.5 | 2,506.2 |
| Committed support | 3,353.5 | 2,465.3 |
| Surplus/deficit | 0.0 | 40.9 |
| % difference | 0.0% | 1.7% |
|   |   |   |
| ***2. Actual numbers of participants, with allowance for NSW/VIC in-kind cost experience*** |
| Contributions | 2,593.2 | 1,844.9 |
| Committed support | 2,674.8 | 1,869.7 |
| Surplus/deficit | -81.6 | -24.8 |
| % difference | -3.1% | -1.3% |
|   |   |   |
| ***3. Actual numbers of participants, with allowance for all cost experience*** |
| Contributions | 2,593.2 | 1,844.9 |
| Committed support | 3,154.1 | 2,269.2 |
| Surplus/deficit | -561.0 | -424.2 |
| % difference | -17.8% | -18.7% |
|   |   |   |
| ***4. Actual numbers of participants, with allowance for all cost and utilisation experience***  |
| ***Utilisation of committed support (70% cash utilisation)*** |   |
| Contributions | 2,593.2 | 1,844.9 |
| Utilised support | 2,345.1 | 1,455.0 |
| Surplus/deficit | 248.1 | 389.9 |
| % difference | 10.6% | 26.8% |
|   |   |   |

## 2017-18 projection

This section sets out the results of projecting the agreed funding mechanism for transition for 2017-18. This projection combines revenue amounts per participant as set out in the bilateral agreements with phasing of participants (drawn from those same bilateral agreements, and also actual data) and the experience of committed supports.

There is more uncertainty in this projection, compared with the 2016-17 projection, as experience for different participant cohorts is likely to change as more participants phase into the scheme. A further point of difference to the 2016-17 analysis is that Western Australia is excluded, as no funding arrangements are yet in place for this State. Note that the previous report also excluded the ACT - this has now been incorporated into the model based on information obtained from the Department of Social Services.

The same assumptions in the 2016-17 projection were used in the 2017-18 projection. As expected, the percentage differences at each step are generally similar to the 2016-17 projection. As with the 2016-17 model, the assumption of a slower payment pattern (based on transition experience) has led to improvements in the agency’s cash position.

The projection considers three potential utilisation rates[[14]](#footnote-14) for 2017-18. The best estimate of utilisation for 2016-17 may not persist into 2017-18, noting that analysis shows that utilisation often increases for second and later plans (suggesting an increasing trend as the scheme matures).

The first scenario shows the impact of a higher utilisation of 80%, leading to a surplus of $30.5 million (0.4%). This scenario reflects experience during trial that utilisation rates tended to increase over time as the scheme became more mature. The second scenario assumes a 70% utilisation, consistent with 2016-17, leading to a surplus of $752.1 million (11.9%). The final scenario shows the impact of a decrease in utilisation to 65%, that is, a surplus of $1.15 billion (19.3%).

**Table H.2 2017-18 projection – impact of assumptions**

|  |  |  |
| --- | --- | --- |
|   | **Accounting surplus/deficit ($m)** | **Cash surplus/deficit ($m)** |
| ***1. Baseline - original bilateral agreement*** |   |
| Contributions | 7,748.2 | 6,361.4 |
| Committed support | 7,748.2 | 6,230.5 |
| Surplus/deficit | 0.0 | 130.9 |
| % difference | 0.0% | 2.1% |
|   |   |   |
| ***2. Actual numbers of participants, with allowance for NSW/VIC in-kind cost experience*** |
| Contributions | 7,075.7 | 5,493.3 |
| Committed support | 7,330.4 | 5,614.6 |
| Surplus/deficit | -254.6 | -121.3 |
| % difference | -3.5% | -2.2% |
|   |   |   |
| ***3. Actual numbers of participants, with allowance for all cost experience*** |
| Contributions | 7,075.7 | 5,493.3 |
| Committed support | 8,531.6 | 6,679.7 |
| Surplus/deficit | -1,455.8 | -1,186.4 |
| % difference | -17.1% | -17.8% |
|   |   |   |
| ***4. Actual numbers of participants, with allowance for all cost and utilisation experience***  |
| ***4a. Utilisation of committed support (80% cash utilisation)*** |   |
| Contributions | 7,075.7 | 5,493.3 |
| Utilised support | 7,045.2 | 5,434.1 |
| Surplus/deficit | 30.5 | 59.2 |
| % difference | 0.4% | 1.1% |
|   |   |   |
|  |  |  |
| ***4b. Utilisation of committed support (70% cash utilisation)*** |   |
| Contributions | 7,075.7 | 5,493.3 |
| Utilised support | 6,323.6 | 4,827.1 |
| Surplus/deficit | 752.1 | 666.2 |
| % difference | 11.9% | 13.8% |
|   |   |   |
|  |  |  |
| ***4c. Utilisation of committed support (65% cash utilisation)*** |   |
| Contributions | 7,075.7 | 5,493.3 |
| Utilised support | 5,930.5 | 4,496.5 |
| Surplus/deficit | 1,145.3 | 996.8 |
| % difference | 19.3% | 22.2% |
|   |   |   |

## Three-year transition projection

This section sets out the results of projecting the agreed funding mechanism for transition over the 2016-17 to 2018-19 years (i.e. all of transition). This projection combines revenue amounts per participant as set out in the bilateral agreements with phasing of participants (drawn from those same bilateral agreements, and also actual data) and the experience of committed supports.

The uncertainty within the projection increases with each year, as experience for different participant cohorts is likely to continue to change. As with the 2017-18 projection, Western Australia has been excluded.

The same assumptions in the 2016-17 projection were used in the three year projection of transition (2016-17 to 2017-18). As expected, the percentage differences at each step are generally similar to the 2016-17 projection. As with the previous projections, an assumption of slower payments has improved the projected cash position of the Agency.

Additionally, NSW and South Australian full scheme funding projections have been obtained from the Department of Social Services for 2018-19. These have led to reduced deficits (or higher surpluses) in scenario 2 onwards, because at full scheme, the Agency is funded based on a fixed envelope. As a result, lower than expected participant numbers reduce scheme costs, but there is no reduction in revenue.

Note that in the absence of an agreed funding mechanism for NSW and SA at full scheme, the following initial assumptions have been made about the timing of revenue in 2018-19:

* It is assumed to be paid in equal monthly instalments throughout the year
* It is assumed to be paid in advance by the Commonwealth and in arrears by the State. This has been assumed for consistency with the transition period.

Once negotiations on the funding mechanism are finalised the model will be updated to reflect the agreed approach.

The scenarios below all assume a utilisation rate of 70% for 2016-17, however this is allowed to vary for 2017-18 and 2018-19 (2017-19)[[15]](#footnote-15). Assuming a 2017-19 utilisation of 80% leads to an accounting surplus of $575.2 million (2.5%), and a cash surplus of $1.1 billion. This reflects that timing of cashflows (in particular the shift from receiving revenue in arrears to in advance and delays in making payments to providers) improves the net position of the Agency under this scenario.

Lower utilisation rates lead to higher projected surpluses. A 70% utilisation rate for 2017-19 leads to a $2.73 billion accounting surplus (13.0%), while a 65% utilisation leads to a $3.9 billion accounting surplus (19.7%). The cashflow position of the Agency is better than the accounting position under both scenarios.

**Table H.3 2016-17 to 2018-19 projection - Impact of assumptions**

|  |  |  |
| --- | --- | --- |
|   | **Accounting surplus/deficit ($m)** | **Cash surplus/deficit ($m)** |
| ***1. Baseline - original bilateral agreement*** |   |
| Contributions | 25,073.5 | 20,857.9 |
| Committed support | 25,073.5 | 20,373.6 |
| Surplus/deficit | 0.0 | 484.3 |
| % difference | 0.0% | 2.4% |
|   |   |   |
| ***2. Actual numbers of participants, with allowance for NSW/VIC in-kind cost experience*** |
| Contributions | 23,654.5 | 18,881.7 |
| Committed support | 24,044.3 | 18,772.5 |
| Surplus/deficit | -389.9 | 109.2 |
| % difference | -1.6% | 0.6% |
|   |   |   |
| ***3. Actual numbers of participants, with allowance for all cost experience*** |
| Contributions | 23,654.5 | 18,881.7 |
| Committed support | 28,318.7 | 22,591.2 |
| Surplus/deficit | -4,664.3 | -3,709.5 |
| % difference | -16.5% | -16.4% |
|   |   |   |
| ***4. Actual numbers of participants, with allowance for all cost and utilisation experience***  |
| ***Utilisation of committed support (70% cash utilisation for 2016-17, 80% thereafter)*** |
| Contributions | 23,654.5 | 18,881.7 |
| Utilised support | 23,079.2 | 17,813.8 |
| Surplus/deficit | 575.2 | 1,068.0 |
| % difference | 2.5% | 6.0% |
|   |   |   |
|  |  |  |
| ***4b. Utilisation of committed support (70% cash utilisation for 2016-17, 70% thereafter)*** |
| Contributions | 23,654.5 | 18,881.7 |
| Utilised support | 20,928.2 | 15,883.0 |
| Surplus/deficit | 2,726.2 | 2,998.7 |
| % difference | 13.0% | 18.9% |
|   |   |   |
|  |  |  |
| ***4c. Utilisation of committed support (70% cash utilisation for 2016-17, 65% thereafter)*** |
| Contributions | 23,654.5 | 18,881.7 |
| Utilised support | 19,756.4 | 14,831.2 |
| Surplus/deficit | 3,898.1 | 4,050.5 |
| % difference | 19.7% | 27.3% |
|   |   |   |

The tables below show a detailed breakdown of projections by State/Territory.

**Table H.4 2016-17 to 2018-19 Projection - Impact of assumptions - New South Wales**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|   | **2016-17** | **2017-18** | **2018-19** | **Total 2016-17 to 2018-19** |
|   | **Accounting surplus/deficit($m)** | **Cash surplus/deficit($m)** | **Accounting surplus/deficit($m)** | **Cash surplus/deficit($m)** | **Accounting surplus/deficit($m)** | **Cash surplus/deficit($m)** | **Accounting surplus/deficit($m)** | **Cash surplus/deficit($m)** |
| ***1. Baseline - original bilateral agreement*** |   |   |   |   |   |   |   |   |
| Contributions | 1,982.2 | 1,416.5 | 4,265.1 | 3,525.4 | 5,868.3 | 5,263.2 | 12,115.7 | 10,205.1 |
| Committed support | 1,982.2 | 1,435.6 | 4,265.1 | 3,438.2 | 5,868.3 | 5,104.9 | 12,115.7 | 9,978.7 |
| Surplus/deficit | 0.0 | -19.1 | 0.0 | 87.2 | 0.0 | 158.4 | 0.0 | 226.4 |
| % difference | 0.0% | -1.3% | 0.0% | 2.5% | 0.0% | 3.1% | 0.0% | 2.3% |
|   |   |   |   |   |   |   |   |   |
| ***2. Actual numbers of participants, with allowance for NSW/VIC in-kind cost*** |   |   |   |   |   |   |
| Contributions | 1,413.1 | 913.5 | 3,854.7 | 3,071.8 | 5,868.3 | 5,203.8 | 11,136.1 | 9,189.2 |
| Committed support | 1,495.0 | 994.9 | 4,024.2 | 3,157.3 | 5,774.6 | 4,976.8 | 11,293.7 | 9,129.0 |
| Surplus/deficit | -81.9 | -81.4 | -169.5 | -85.5 | 93.8 | 227.0 | -157.6 | 60.2 |
| % difference | -5.5% | -8.2% | -4.2% | -2.7% | 1.6% | 4.6% | -1.4% | 0.7% |
|   |   |   |   |   |   |   |   |   |
| ***3. Actual numbers of participants, with allowance for all cost experience*** |   |   |   |   |   |   |
| Contributions | 1,413.1 | 913.5 | 3,854.7 | 3,071.8 | 5,868.3 | 5,203.8 | 11,136.1 | 9,189.2 |
| Committed support | 1,731.0 | 1,190.8 | 4,625.5 | 3,699.6 | 6,716.3 | 5,891.5 | 13,072.8 | 10,781.9 |
| Surplus/deficit | -317.9 | -277.3 | -770.8 | -627.8 | -848.0 | -687.7 | -1,936.7 | -1,592.7 |
| % difference | -18.4% | -23.3% | -16.7% | -17.0% | -12.6% | -11.7% | -14.8% | -14.8% |
|   |   |   |   |   |   |   |   |   |
| ***4. Actual numbers of participants, with allowance for all cost and utilisation experience***  |   |   |   |   |   |   |
| ***4a. Utilisation of committed support (70% cash utilisation for 2016-17, 80% thereafter)*** |   |   |   |   |   |   |
| Contributions | 1,413.1 | 913.5 | 3,854.7 | 3,071.8 | 5,868.3 | 5,203.8 | 11,136.1 | 9,189.2 |
| Utilised support | 1,303.1 | 759.6 | 3,813.6 | 3,006.2 | 5,501.0 | 4,718.4 | 10,617.7 | 8,484.2 |
| Surplus/deficit | 110.0 | 153.9 | 41.1 | 65.6 | 367.3 | 485.4 | 518.4 | 704.9 |
| % difference | 8.4% | 20.3% | 1.1% | 2.2% | 6.7% | 10.3% | 4.9% | 8.3% |
|   |   |   |   |   |   |   |   |   |
|  |  |  |   |   |  |  |   |  |
| ***4b. Utilisation of committed support (70% cash utilisation for 2016-17, 70% thereafter)*** |   |   |   |   |   |   |
| Contributions | 1,413.1 | 913.5 | 3,854.7 | 3,071.8 | 5,868.3 | 5,203.8 | 11,136.1 | 9,189.2 |
| Utilised support | 1,303.1 | 759.6 | 3,419.4 | 2,670.8 | 4,911.0 | 4,146.8 | 9,633.5 | 7,577.2 |
| Surplus/deficit | 110.0 | 153.9 | 435.3 | 401.0 | 957.3 | 1,057.1 | 1,502.6 | 1,612.0 |
| % difference | 8.4% | 20.3% | 12.7% | 15.0% | 19.5% | 25.5% | 15.6% | 21.3% |
|   |   |   |   |   |   |   |   |   |
|  |  |  |   |   |  |  |   |  |
| ***4c. Utilisation of committed support (70% cash utilisation for 2016-17, 65% thereafter)*** |   |   |   |   |   |   |
| Contributions | 1,413.1 | 913.5 | 3,854.7 | 3,071.8 | 5,868.3 | 5,203.8 | 11,136.1 | 9,189.2 |
| Utilised support | 1,303.1 | 759.6 | 3,204.6 | 2,488.1 | 4,589.6 | 3,835.3 | 9,097.3 | 7,083.0 |
| Surplus/deficit | 110.0 | 153.9 | 650.0 | 583.7 | 1,278.7 | 1,368.5 | 2,038.8 | 2,106.1 |
| % difference | 8.4% | 20.3% | 20.3% | 23.5% | 27.9% | 35.7% | 22.4% | 29.7% |
|   |   |   |   |   |   |   |   |   |

**Table H.5 2016-17 to 2018-19 Projection - Impact of assumptions - Victoria**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|   | **2016-17** | **2017-18** | **2018-19** | **Total 2016-17 to 2018-19** |
|   | **Accounting surplus/deficit($m)** | **Cash surplus/deficit($m)** | **Accounting surplus/deficit($m)** | **Cash surplus/deficit($m)** | **Accounting surplus/deficit($m)** | **Cash surplus/deficit($m)** | **Accounting surplus/deficit($m)** | **Cash surplus/deficit($m)** |
| ***1. Baseline - original bilateral agreement*** |   |   |   |   |   |   |   |   |
| Contributions | 506.0 | 336.6 | 1,532.4 | 1,136.7 | 3,452.0 | 2,689.9 | 5,490.4 | 4,163.2 |
| Committed support | 506.0 | 347.5 | 1,532.4 | 1,134.3 | 3,452.0 | 2,673.7 | 5,490.4 | 4,155.6 |
| Surplus/deficit | 0.0 | -10.9 | 0.0 | 2.4 | 0.0 | 16.2 | 0.0 | 7.6 |
| % difference | 0.0% | -3.1% | 0.0% | 0.2% | 0.0% | 0.6% | 0.0% | 0.2% |
|   |   |   |   |   |   |   |   |   |
| ***2. Actual numbers of participants, with allowance for NSW/VIC in-kind cost*** |   |   |   |   |   |   |
| Contributions | 405.5 | 246.2 | 1,521.9 | 975.5 | 3,583.0 | 2,463.0 | 5,510.5 | 3,684.7 |
| Committed support | 412.6 | 259.4 | 1,564.2 | 1,005.3 | 3,680.5 | 2,533.6 | 5,657.4 | 3,798.2 |
| Surplus/deficit | -7.1 | -13.1 | -42.3 | -29.7 | -97.5 | -70.6 | -146.9 | -113.5 |
| % difference | -1.7% | -5.1% | -2.7% | -3.0% | -2.6% | -2.8% | -2.6% | -3.0% |
|   |   |   |   |   |   |   |   |   |
| ***3. Actual numbers of participants, with allowance for all cost experience*** |   |   |   |   |   |   |
| Contributions | 405.5 | 246.2 | 1,521.9 | 975.5 | 3,583.0 | 2,463.0 | 5,510.5 | 3,684.7 |
| Committed support | 485.6 | 321.8 | 1,767.7 | 1,187.0 | 4,105.2 | 2,932.5 | 6,358.5 | 4,441.2 |
| Surplus/deficit | -80.1 | -75.6 | -245.8 | -211.5 | -522.2 | -469.5 | -848.0 | -756.6 |
| % difference | -16.5% | -23.5% | -13.9% | -17.8% | -12.7% | -16.0% | -13.3% | -17.0% |
|   |   |   |   |   |   |   |   |   |
| ***4. Actual numbers of participants, with allowance for all cost and utilisation experience***  |   |   |   |   |   |   |
| ***4a. Utilisation of committed support (70% cash utilisation for 2016-17, 80% thereafter)*** |   |   |   |   |   |   |
| Contributions | 405.5 | 246.2 | 1,521.9 | 975.5 | 3,583.0 | 2,463.0 | 5,510.5 | 3,684.7 |
| Utilised support | 372.5 | 197.1 | 1,499.4 | 969.8 | 3,475.9 | 2,348.4 | 5,347.8 | 3,515.3 |
| Surplus/deficit | 33.0 | 49.1 | 22.5 | 5.7 | 107.2 | 114.6 | 162.7 | 169.4 |
| % difference | 8.9% | 24.9% | 1.5% | 0.6% | 3.1% | 4.9% | 3.0% | 4.8% |
|   |   |   |   |   |   |   |   |   |
| ***4b. Utilisation of committed support (70% cash utilisation for 2016-17, 70% thereafter)*** |   |   |   |   |   |   |
| Contributions | 405.5 | 246.2 | 1,521.9 | 975.5 | 3,583.0 | 2,463.0 | 5,510.5 | 3,684.7 |
| Utilised support | 372.5 | 197.1 | 1,369.2 | 860.1 | 3,170.3 | 2,063.8 | 4,912.0 | 3,121.0 |
| Surplus/deficit | 33.0 | 49.1 | 152.7 | 115.5 | 412.7 | 399.2 | 598.5 | 563.7 |
| % difference | 8.9% | 24.9% | 11.2% | 13.4% | 13.0% | 19.3% | 12.2% | 18.1% |
|   |   |   |   |   |   |   |   |   |
| ***4c. Utilisation of committed support (70% cash utilisation for 2016-17, 65% thereafter)*** |   |   |   |   |   |   |
| Contributions | 405.5 | 246.2 | 1,521.9 | 975.5 | 3,583.0 | 2,463.0 | 5,510.5 | 3,684.7 |
| Utilised support | 372.5 | 197.1 | 1,298.3 | 800.3 | 3,003.8 | 1,908.8 | 4,674.6 | 2,906.2 |
| Surplus/deficit | 33.0 | 49.1 | 223.7 | 175.2 | 579.2 | 554.2 | 835.9 | 778.5 |
| % difference | 8.9% | 24.9% | 17.2% | 21.9% | 19.3% | 29.0% | 17.9% | 26.8% |
|   |   |   |   |   |   |   |   |   |

**Table H.6 2016-17 to 2018-19 Projection - Impact of assumptions - Queensland**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|   | **2016-17** | **2017-18** | **2018-19** | **Total 2016-17 to 2018-19** |
|   | **Accounting surplus/deficit($m)** | **Cash surplus/deficit($m)** | **Accounting surplus/deficit($m)** | **Cash surplus/deficit($m)** | **Accounting surplus/deficit($m)** | **Cash surplus/deficit($m)** | **Accounting surplus/deficit($m)** | **Cash surplus/deficit($m)** |
| ***1. Baseline - original bilateral agreement*** |   |   |   |   |   |   |   |   |
| Contributions | 231.3 | 168.8 | 926.7 | 835.8 | 2,603.8 | 2,261.1 | 3,761.9 | 3,265.7 |
| Committed support | 231.3 | 153.5 | 926.7 | 795.1 | 2,603.8 | 2,147.2 | 3,761.9 | 3,095.7 |
| Surplus/deficit | 0.0 | 15.3 | 0.0 | 40.7 | 0.0 | 114.0 | 0.0 | 170.0 |
| % difference | 0.0% | 10.0% | 0.0% | 5.1% | 0.0% | 5.3% | 0.0% | 5.5% |
|   |   |   |   |   |   |   |   |   |
| ***2. Actual numbers of participants, with allowance for NSW/VIC in-kind cost*** |   |   |   |   |   |   |
| Contributions | 160.7 | 118.4 | 722.3 | 629.2 | 2,492.9 | 2,126.0 | 3,375.8 | 2,873.6 |
| Committed support | 160.7 | 107.9 | 722.3 | 594.7 | 2,492.9 | 2,004.3 | 3,375.8 | 2,706.9 |
| Surplus/deficit | 0.0 | 10.5 | 0.0 | 34.5 | 0.0 | 121.7 | 0.0 | 166.7 |
| % difference | 0.0% | 9.7% | 0.0% | 5.8% | 0.0% | 6.1% | 0.0% | 6.2% |
|   |   |   |   |   |   |   |   |   |
| ***3. Actual numbers of participants, with allowance for all cost experience*** |   |   |   |   |   |   |
| Contributions | 160.7 | 118.4 | 722.3 | 629.2 | 2,492.9 | 2,126.0 | 3,375.8 | 2,873.6 |
| Committed support | 195.3 | 131.2 | 985.8 | 808.9 | 3,514.0 | 2,845.7 | 4,695.1 | 3,785.8 |
| Surplus/deficit | -34.6 | -12.8 | -263.5 | -179.7 | -1,021.2 | -719.7 | -1,319.3 | -912.2 |
| % difference | -17.7% | -9.7% | -26.7% | -22.2% | -29.1% | -25.3% | -28.1% | -24.1% |
|   |   |   |   |   |   |   |   |   |
| ***4. Actual numbers of participants, with allowance for all cost and utilisation experience***  |   |   |   |   |   |   |
| ***4a. Utilisation of committed support (70% cash utilisation for 2016-17, 80% thereafter)*** |   |   |   |   |   |   |
| Contributions | 160.7 | 118.4 | 722.3 | 629.2 | 2,492.9 | 2,126.0 | 3,375.8 | 2,873.6 |
| Utilised support | 138.2 | 84.5 | 793.2 | 648.5 | 2,829.0 | 2,276.9 | 3,760.4 | 3,009.9 |
| Surplus/deficit | 22.5 | 33.9 | -70.9 | -19.3 | -336.1 | -150.9 | -384.6 | -136.3 |
| % difference | 16.3% | 40.1% | -8.9% | -3.0% | -11.9% | -6.6% | -10.2% | -4.5% |
|   |   |   |   |   |   |   |   |   |
| ***4b. Utilisation of committed support (70% cash utilisation for 2016-17, 70% thereafter)*** |   |   |   |   |   |   |
| Contributions | 160.7 | 118.4 | 722.3 | 629.2 | 2,492.9 | 2,126.0 | 3,375.8 | 2,873.6 |
| Utilised support | 138.2 | 84.5 | 699.7 | 575.8 | 2,496.4 | 2,000.7 | 3,334.3 | 2,660.9 |
| Surplus/deficit | 22.5 | 33.9 | 22.6 | 53.4 | -3.6 | 125.4 | 41.5 | 212.7 |
| % difference | 16.3% | 40.1% | 3.2% | 9.3% | -0.1% | 6.3% | 1.2% | 8.0% |
|   |   |   |   |   |   |   |   |   |
| ***4c. Utilisation of committed support (70% cash utilisation for 2016-17, 65% thereafter)*** |   |   |   |   |   |   |
| Contributions | 160.7 | 118.4 | 722.3 | 629.2 | 2,492.9 | 2,126.0 | 3,375.8 | 2,873.6 |
| Utilised support | 138.2 | 84.5 | 648.7 | 536.2 | 2,315.3 | 1,850.2 | 3,102.2 | 2,470.8 |
| Surplus/deficit | 22.5 | 33.9 | 73.6 | 93.0 | 177.6 | 275.9 | 273.7 | 402.8 |
| % difference | 16.3% | 40.1% | 11.3% | 17.4% | 7.7% | 14.9% | 8.8% | 16.3% |
|   |   |   |   |   |   |   |   |   |

**Table H.7 2016-17 to 2018-19 Projection - Impact of assumptions – Tasmania**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|   | **2016-17** | **2017-18** | **2018-19** | **Total 2016-17 to 2018-19** |
|   | **Accounting surplus/deficit($m)** | **Cashsurplus/deficit($m)** | **Accounting surplus/deficit($m)** | **Cash surplus/deficit($m)** | **Accounting surplus/deficit($m)** | **Cash surplus/deficit($m)** | **Accounting surplus/deficit($m)** | **Cash surplus/deficit($m)** |
| ***1. Baseline - original bilateral agreement*** |   |   |   |   |   |   |   |   |
| Contributions | 81.4 | 59.4 | 174.7 | 146.0 | 353.5 | 309.9 | 609.6 | 515.3 |
| Committed support | 81.4 | 59.3 | 174.7 | 146.7 | 353.5 | 312.8 | 609.6 | 518.7 |
| Surplus/deficit | 0.0 | 0.2 | 0.0 | -0.6 | 0.0 | -2.9 | 0.0 | -3.4 |
| % difference | 0.0% | 0.3% | 0.0% | -0.4% | 0.0% | -0.9% | 0.0% | -0.7% |
|   |   |   |   |   |   |   |   |   |
| ***2. Actual numbers of participants, with allowance for NSW/VIC in-kind cost*** |   |   |   |   |   |   |
| Contributions | 82.4 | 60.5 | 165.9 | 138.5 | 345.4 | 299.9 | 593.6 | 499.0 |
| Committed support | 82.4 | 60.3 | 165.9 | 139.2 | 345.4 | 303.0 | 593.6 | 502.5 |
| Surplus/deficit | 0.0 | 0.2 | 0.0 | -0.7 | 0.0 | -3.0 | 0.0 | -3.5 |
| % difference | 0.0% | 0.4% | 0.0% | -0.5% | 0.0% | -1.0% | 0.0% | -0.7% |
|   |   |   |   |   |   |   |   |   |
| ***3. Actual numbers of participants, with allowance for all cost experience*** |   |   |   |   |   |   |
| Contributions | 82.4 | 60.5 | 165.9 | 138.5 | 345.4 | 299.9 | 593.6 | 499.0 |
| Committed support | 96.5 | 72.3 | 187.3 | 159.9 | 362.7 | 320.9 | 646.4 | 553.1 |
| Surplus/deficit | -14.1 | -11.7 | -21.4 | -21.4 | -17.3 | -20.9 | -52.9 | -54.1 |
| % difference | -14.6% | -16.2% | -11.4% | -13.4% | -4.8% | -6.5% | -8.2% | -9.8% |
|   |   |   |   |   |   |   |   |   |
| ***4. Actual numbers of participants, with allowance for all cost and utilisation experience***  |   |   |   |   |   |   |
| ***4a. Utilisation of committed support (70% cash utilisation for 2016-17, 80% thereafter)*** |   |   |   |   |   |   |
| Contributions | 82.4 | 60.5 | 165.9 | 138.5 | 345.4 | 299.9 | 593.6 | 499.0 |
| Utilised support | 72.9 | 52.6 | 152.6 | 126.5 | 293.2 | 256.7 | 518.7 | 435.8 |
| Surplus/deficit | 9.5 | 7.9 | 13.3 | 12.1 | 52.1 | 43.2 | 74.9 | 63.2 |
| % difference | 13.0% | 15.0% | 8.7% | 9.5% | 17.8% | 16.8% | 14.4% | 14.5% |
|   |   |   |   |   |   |   |   |   |
| ***4b. Utilisation of committed support (70% cash utilisation for 2016-17, 70% thereafter)*** |   |   |   |   |   |   |
| Contributions | 82.4 | 60.5 | 165.9 | 138.5 | 345.4 | 299.9 | 593.6 | 499.0 |
| Utilised support | 72.9 | 52.6 | 135.7 | 112.1 | 259.5 | 225.6 | 468.1 | 390.3 |
| Surplus/deficit | 9.5 | 7.9 | 30.1 | 26.4 | 85.9 | 74.4 | 125.5 | 108.7 |
| % difference | 13.0% | 15.0% | 22.2% | 23.6% | 33.1% | 33.0% | 26.8% | 27.8% |
|   |   |   |   |   |   |   |   |   |
| ***4c. Utilisation of committed support (70% cash utilisation for 2016-17, 65% thereafter)*** |   |   |   |   |   |   |
| Contributions | 82.4 | 60.5 | 165.9 | 138.5 | 345.4 | 299.9 | 593.6 | 499.0 |
| Utilised support | 72.9 | 52.6 | 126.6 | 104.3 | 241.1 | 208.6 | 440.5 | 365.5 |
| Surplus/deficit | 9.5 | 7.9 | 39.3 | 34.2 | 104.2 | 91.3 | 153.0 | 133.5 |
| % difference | 13.0% | 15.0% | 31.1% | 32.8% | 43.2% | 43.8% | 34.7% | 36.5% |
|   |   |   |   |   |   |   |   |   |

**Table H.8 2016-17 to 2018-19 Projection - Impact of assumptions – South Australia**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|   | **2016-17** | **2017-18** | **2018-19** | **Total 2016-17 to 2018-19** |
|   | **Accounting surplus/deficit($m)** | **Cash surplus/deficit($m)** | **Accounting surplus/deficit($m)** | **Cash surplus/deficit($m)** | **Accounting surplus/deficit($m)** | **Cash surplus/deficit($m)** | **Accounting surplus/deficit($m)** | **Cash surplus/deficit($m)** |
| ***1. Baseline - original bilateral agreement*** |   |   |   |   |   |   |   |   |
| Contributions | 181.2 | 157.2 | 556.4 | 429.1 | 1,302.6 | 1,087.3 | 2,040.2 | 1,673.5 |
| Committed support | 181.2 | 152.4 | 556.4 | 430.5 | 1,302.6 | 1,060.1 | 2,040.2 | 1,642.9 |
| Surplus/deficit | 0.0 | 4.8 | 0.0 | -1.4 | 0.0 | 27.2 | 0.0 | 30.7 |
| % difference | 0.0% | 3.2% | 0.0% | -0.3% | 0.0% | 2.6% | 0.0% | 1.9% |
|   |   |   |   |   |   |   |   |   |
| ***2. Actual numbers of participants, with allowance for NSW/VIC in-kind cost*** |   |   |   |   |   |   |
| Contributions | 169.2 | 146.7 | 522.1 | 394.7 | 1,302.6 | 1,070.4 | 1,993.9 | 1,611.8 |
| Committed support | 169.2 | 142.5 | 522.1 | 395.5 | 1,289.8 | 1,030.7 | 1,981.1 | 1,568.7 |
| Surplus/deficit | 0.0 | 4.2 | 0.0 | -0.8 | 12.8 | 39.7 | 12.8 | 43.1 |
| % difference | 0.0% | 3.0% | 0.0% | -0.2% | 1.0% | 3.9% | 0.6% | 2.7% |
|   |   |   |   |   |   |   |   |   |
| ***3. Actual numbers of participants, with allowance for all cost experience*** |   |   |   |   |   |   |
| Contributions | 169.2 | 146.7 | 522.1 | 394.7 | 1,302.6 | 1,070.4 | 1,993.9 | 1,611.8 |
| Committed support | 185.0 | 156.7 | 538.6 | 409.6 | 1,311.2 | 1,053.0 | 2,034.8 | 1,619.3 |
| Surplus/deficit | -15.7 | -10.0 | -16.6 | -14.9 | -8.6 | 17.4 | -40.9 | -7.5 |
| % difference | -8.5% | -6.4% | -3.1% | -3.6% | -0.7% | 1.7% | -2.0% | -0.5% |
|   |   |   |   |   |   |   |   |   |
| ***4. Actual numbers of participants, with allowance for all cost and utilisation experience***  |   |   |   |   |   |   |
| ***4a. Utilisation of committed support (70% cash utilisation for 2016-17, 80% thereafter)*** |   |   |   |   |   |   |
| Contributions | 169.2 | 146.7 | 522.1 | 394.7 | 1,302.6 | 1,070.4 | 1,993.9 | 1,611.8 |
| Utilised support | 132.7 | 95.1 | 445.1 | 339.2 | 1,090.9 | 844.0 | 1,668.7 | 1,278.3 |
| Surplus/deficit | 36.6 | 51.6 | 77.0 | 55.5 | 211.7 | 226.4 | 325.2 | 333.5 |
| % difference | 27.6% | 54.3% | 17.3% | 16.4% | 19.4% | 26.8% | 19.5% | 26.1% |
|   |   |   |   |   |   |   |   |   |
| ***4b. Utilisation of committed support (70% cash utilisation for 2016-17, 70% thereafter)*** |   |   |   |   |   |   |
| Contributions | 169.2 | 146.7 | 522.1 | 394.7 | 1,302.6 | 1,070.4 | 1,993.9 | 1,611.8 |
| Utilised support | 132.7 | 95.1 | 399.7 | 301.4 | 984.0 | 741.8 | 1,516.3 | 1,138.3 |
| Surplus/deficit | 36.6 | 51.6 | 122.4 | 93.3 | 318.6 | 328.6 | 477.6 | 473.5 |
| % difference | 27.6% | 54.3% | 30.6% | 31.0% | 32.4% | 44.3% | 31.5% | 41.6% |
|   |   |   |   |   |   |   |   |   |
| ***4c. Utilisation of committed support (70% cash utilisation for 2016-17, 65% thereafter)*** |   |   |   |   |   |   |
| Contributions | 169.2 | 146.7 | 522.1 | 394.7 | 1,302.6 | 1,070.4 | 1,993.9 | 1,611.8 |
| Utilised support | 132.7 | 95.1 | 374.9 | 280.8 | 925.7 | 686.2 | 1,433.3 | 1,062.1 |
| Surplus/deficit | 36.6 | 51.6 | 147.1 | 113.9 | 376.9 | 384.2 | 560.6 | 549.8 |
| % difference | 27.6% | 54.3% | 39.2% | 40.6% | 40.7% | 56.0% | 39.1% | 51.8% |
|   |   |   |   |   |   |   |   |   |

**Table H.9 2016-17 to 2018-19 Projection - Impact of assumptions – Northern Territory**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|   | **2016-17** | **2017-18** | **2018-19** | **Total 2016-17 to 2018-19** |
|   | **Accounting surplus/deficit($m)** | **Cash surplus/deficit($m)** | **Accounting surplus/deficit($m)** | **Cash surplus/deficit($m)** | **Accounting surplus/deficit($m)** | **Cash surplus/deficit($m)** | **Accounting surplus/deficit($m)** | **Cash surplus/deficit($m)** |
| ***1. Baseline - original bilateral agreement*** |   |   |   |   |   |   |   |   |
| Contributions | 20.4 | 16.8 | 74.6 | 70.1 | 161.2 | 148.5 | 256.3 | 235.4 |
| Committed support | 20.4 | 17.4 | 74.6 | 69.9 | 161.2 | 150.4 | 256.3 | 237.8 |
| Surplus/deficit | 0.0 | -0.6 | 0.0 | 0.2 | 0.0 | -1.9 | 0.0 | -2.3 |
| % difference | 0.0% | -3.7% | 0.0% | 0.3% | 0.0% | -1.3% | 0.0% | -1.0% |
|   |   |   |   |   |   |   |   |   |
| ***2. Actual numbers of participants, with allowance for NSW/VIC in-kind cost*** |   |   |   |   |   |   |
| Contributions | 11.4 | 8.6 | 70.7 | 65.4 | 163.0 | 149.9 | 245.1 | 223.9 |
| Committed support | 11.4 | 9.3 | 70.7 | 65.2 | 163.0 | 151.8 | 245.1 | 226.3 |
| Surplus/deficit | 0.0 | -0.7 | 0.0 | 0.2 | 0.0 | -1.9 | 0.0 | -2.4 |
| % difference | 0.0% | -7.7% | 0.0% | 0.3% | 0.0% | -1.2% | 0.0% | -1.1% |
|   |   |   |   |   |   |   |   |   |
| ***3. Actual numbers of participants, with allowance for all cost experience*** |   |   |   |   |   |   |
| Contributions | 11.4 | 8.6 | 70.7 | 65.4 | 163.0 | 149.9 | 245.1 | 223.9 |
| Committed support | 19.3 | 15.6 | 125.1 | 115.1 | 308.4 | 286.9 | 457.5 | 422.1 |
| Surplus/deficit | -8.0 | -7.0 | -54.4 | -49.7 | -145.4 | -137.1 | -212.4 | -198.2 |
| % difference | -41.2% | -44.7% | -43.5% | -43.2% | -47.2% | -47.8% | -46.4% | -47.0% |
|   |   |   |   |   |   |   |   |   |
| ***4. Actual numbers of participants, with allowance for all cost and utilisation experience***  |   |   |   |   |   |   |
| ***4a. Utilisation of committed support (70% cash utilisation for 2016-17, 80% thereafter)*** |   |   |   |   |   |   |
| Contributions | 11.4 | 8.6 | 70.7 | 65.4 | 163.0 | 149.9 | 245.1 | 223.9 |
| Utilised support | 13.7 | 8.4 | 103.8 | 97.7 | 246.7 | 229.7 | 364.2 | 335.9 |
| Surplus/deficit | -2.3 | 0.2 | -33.1 | -32.3 | -83.7 | -79.8 | -119.2 | -112.0 |
| % difference | -17.1% | 2.2% | -31.9% | -33.1% | -33.9% | -34.8% | -32.7% | -33.3% |
|   |   |   |   |   |   |   |   |   |
| ***4b. Utilisation of committed support (70% cash utilisation for 2016-17, 70% thereafter)*** |   |   |   |   |   |   |
| Contributions | 11.4 | 8.6 | 70.7 | 65.4 | 163.0 | 149.9 | 245.1 | 223.9 |
| Utilised support | 13.7 | 8.4 | 91.2 | 86.4 | 216.8 | 201.9 | 321.7 | 296.7 |
| Surplus/deficit | -2.3 | 0.2 | -20.5 | -21.1 | -53.8 | -52.0 | -76.6 | -72.9 |
| % difference | -17.1% | 2.2% | -22.5% | -24.4% | -24.8% | -25.7% | -23.8% | -24.6% |
|   |   |   |   |   |   |   |   |   |
| ***4c. Utilisation of committed support (70% cash utilisation for 2016-17, 65% thereafter)*** |   |   |   |   |   |   |
| Contributions | 11.4 | 8.6 | 70.7 | 65.4 | 163.0 | 149.9 | 245.1 | 223.9 |
| Utilised support | 13.7 | 8.4 | 84.3 | 80.3 | 200.5 | 186.7 | 298.5 | 275.4 |
| Surplus/deficit | -2.3 | 0.2 | -13.6 | -15.0 | -37.5 | -36.8 | -53.5 | -51.6 |
| % difference | -17.1% | 2.2% | -16.2% | -18.6% | -18.7% | -19.7% | -17.9% | -18.7% |
|   |   |   |   |   |   |   |   |   |

Table H.10 2016-17 to 2018-19 Projection - Impact of assumptions – Australian Capital Territory

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|   | **2016-17** | **2017-18** | **2018-19** | **Total 2016-17 to 2018-19** |
|   | **Accounting surplus/deficit($m)** | **Cash surplus/deficit($m)** | **Accounting surplus/deficit($m)** | **Cash surplus/deficit($m)** | **Accounting surplus/deficit($m)** | **Cash surplus/deficit($m)** | **Accounting surplus/deficit($m)** | **Cash surplus/deficit($m)** |
| ***1. Baseline - original bilateral agreement*** |   |   |   |   |   |   |   |   |
| Contributions | 201.5 | 201.5 | 218.2 | 218.2 | 230.4 | 230.4 | 650.1 | 650.1 |
| Committed support | 201.5 | 179.2 | 218.2 | 215.7 | 230.4 | 228.8 | 650.1 | 623.7 |
| Surplus/deficit | 0.0 | 22.3 | 0.0 | 2.5 | 0.0 | 1.6 | 0.0 | 26.4 |
| % difference | 0.0% | 12.5% | 0.0% | 1.1% | 0.0% | 0.7% | 0.0% | 4.2% |
|   |   |   |   |   |   |   |   |   |
| ***2. Actual numbers of participants, with allowance for NSW/VIC in-kind cost*** |   |   |   |   |   |   |
| Contributions | 201.5 | 201.5 | 218.2 | 218.2 | 230.4 | 230.4 | 650.1 | 650.1 |
| Committed support | 217.6 | 191.5 | 261.0 | 257.4 | 293.1 | 288.1 | 771.7 | 737.1 |
| Surplus/deficit | -16.1 | 10.0 | -42.8 | -39.2 | -62.7 | -57.7 | -121.6 | -87.0 |
| % difference | -7.4% | 5.2% | -16.4% | -15.2% | -21.4% | -20.0% | -15.8% | -11.8% |
|   |   |   |   |   |   |   |   |   |
| ***3. Actual numbers of participants, with allowance for all cost experience*** |   |   |   |   |   |   |
| Contributions | 201.5 | 201.5 | 218.2 | 218.2 | 230.4 | 230.4 | 650.1 | 650.1 |
| Committed support | 275.3 | 243.4 | 297.0 | 295.2 | 315.2 | 311.7 | 887.4 | 850.3 |
| Surplus/deficit | -73.8 | -41.9 | -78.8 | -77.0 | -84.8 | -81.3 | -237.3 | -200.2 |
| % difference | -26.8% | -17.2% | -26.5% | -26.1% | -26.9% | -26.1% | -26.7% | -23.5% |
|   |   |   |   |   |   |   |   |   |
| ***4. Actual numbers of participants, with allowance for all cost and utilisation experience***  |   |   |   |   |   |   |
| ***4a. Utilisation of committed support (70% cash utilisation for 2016-17, 80% thereafter)*** |   |   |   |   |   |   |
| Contributions | 201.5 | 201.5 | 218.2 | 218.2 | 230.4 | 230.4 | 650.1 | 650.1 |
| Utilised support | 194.2 | 157.0 | 237.6 | 246.2 | 252.1 | 250.5 | 683.9 | 653.8 |
| Surplus/deficit | 7.3 | 44.5 | -19.4 | -28.0 | -21.7 | -20.1 | -33.8 | -3.7 |
| % difference | 3.8% | 28.3% | -8.2% | -11.4% | -8.6% | -8.0% | -4.9% | -0.6% |
|   |   |   |   |   |   |   |   |   |
| ***4b. Utilisation of committed support (70% cash utilisation for 2016-17, 70% thereafter)*** |   |   |   |   |   |   |
| Contributions | 201.5 | 201.5 | 218.2 | 218.2 | 230.4 | 230.4 | 650.1 | 650.1 |
| Utilised support | 194.2 | 157.0 | 208.7 | 220.5 | 221.5 | 220.3 | 624.4 | 597.9 |
| Surplus/deficit | 7.3 | 44.5 | 9.5 | -2.3 | 8.9 | 10.1 | 25.7 | 52.2 |
| % difference | 3.8% | 28.3% | 4.5% | -1.1% | 4.0% | 4.6% | 4.1% | 8.7% |
|   |   |   |   |   |   |   |   |   |
| ***4c. Utilisation of committed support (70% cash utilisation for 2016-17, 65% thereafter)*** |   |   |   |   |   |   |
| Contributions | 201.5 | 201.5 | 218.2 | 218.2 | 230.4 | 230.4 | 650.1 | 650.1 |
| Utilised support | 194.2 | 157.0 | 193.0 | 206.5 | 204.9 | 203.9 | 592.0 | 567.5 |
| Surplus/deficit | 7.3 | 44.5 | 25.2 | 11.7 | 25.5 | 26.5 | 58.1 | 82.6 |
| % difference | 3.8% | 28.3% | 13.0% | 5.7% | 12.5% | 13.0% | 9.8% | 14.6% |
|   |   |   |   |   |   |   |   |   |

**Table H.11 2016-17 to 2018-19 Projection - Impact of assumptions – Western Australia**

|  |  |
| --- | --- |
|   | **2016-17** |
|   | **Accounting surplus/deficit($m)** | **Cash surplus/deficit($m)** |
| ***1. Baseline - original bilateral agreement*** |   |   |
| Contributions | 149.5 | 149.5 |
| Committed support | 149.5 | 120.5 |
| Surplus/deficit | 0.0 | 29.0 |
| % difference | 0.0% | 24.0% |
|   |   |   |
| ***2. Actual numbers of participants, with allowance for NSW/VIC in-kind cost*** |
| Contributions | 149.5 | 149.5 |
| Committed support | 126.0 | 103.9 |
| Surplus/deficit | 23.5 | 45.6 |
| % difference | 18.6% | 43.9% |
|   |   |   |
| ***3. Actual numbers of participants, with allowance for all cost experience*** |
| Contributions | 149.5 | 149.5 |
| Committed support | 166.2 | 137.5 |
| Surplus/deficit | -16.8 | 12.0 |
| % difference | -10.1% | 8.7% |
|   |   |   |
| ***4. Actual numbers of participants, with allowance for all cost and utilisation experience***  |
| ***Utilisation of committed support (70% cash utilisation for 2016-17)*** |
| Contributions | 149.5 | 149.5 |
| Utilised support | 118.0 | 100.6 |
| Surplus/deficit | 31.5 | 48.8 |
| % difference | 26.7% | 48.5% |
|   |   |   |

# Risk management

A review has been conducted on the consistency of staff member decisions relating to participant access and the approval of plans that are more than 10% and 50% above benchmark. This appendix follows on from Section 5.5.1 of the main report and contains further analysis of access decisions and plans above benchmark by age and disability group.

## Access decisions (ineligibility rates)

Key points arising from access decisions (ineligibility rates) are:

* Ineligibility rates are low for participants with autism and intellectual disability and there is a low level of variability in staff member decisions.
* Ineligibility rates are high for participants with psychosocial disability and there is a high level of variability in staff member decisions.
* Ineligibility rates are low for younger participants and increase with age, with higher levels of variability in staff member decisions for the higher age bands.

**Figure I.1 Distribution of staff member ineligibility rates for participants with autism**



**Figure I.2 Distribution of staff member ineligibility rates for participants with intellectual disability**



**Figure I.3 Distribution of staff member ineligibility rates for participants with psychosocial disability**



**Figure I.4 Distribution of staff member ineligibility rates for participants aged 0-6 years**



**Figure I.5 Distribution of staff member ineligibility rates for participants aged 7-14 years**



**Figure I.6 Distribution of staff member ineligibility rates for participants aged 15-24 years**



**Figure I.7 Distribution of staff member ineligibility rates for participants aged 25-34 years**



**Figure I.8 Distribution of staff member ineligibility rates for participants aged 35-44 years**



**Figure I.9 Distribution of staff member ineligibility rates for participants aged 45-54 years**



**Figure I.10 Distribution of staff member ineligibility rates for participants aged 55-64 years**



## Plans compared to benchmark

For planners approving plans for high functioning participants, there is a higher proportion of plans approved above benchmark, and vice versa for the plans of low functioning participants. In the younger participant age groups, planners have approved a higher proportion of their plans above benchmark, and vice versa for the older age groups.

**Figure I.11 Staff member approvals of plans that differ from benchmark (high level of function)**



**Figure I.12 Staff member approvals of plans that differ from benchmark (medium level of function)**



**Figure I.13 Staff member approvals of plans that differ from benchmark (low level of function)**



**Figure I.14 Staff member approvals of plans that differ from benchmark (0-6 years)**



**Figure I.15 Staff member approvals of plans that differ from benchmark (7-14 years)**



**Figure I.16 Staff member approvals of plans that differ from benchmark (15-24 years)**



**Figure I.17 Staff member approvals of plans that differ from benchmark (25-34 years)**



**Figure I.18 Staff member approvals of plans that differ from benchmark (35-44 years)**



**Figure I.19 Staff member approvals of plans that differ from benchmark (45-54 years)**



**Figure I.20 Staff member approvals of plans that differ from benchmark (55-64 years)**



# Recommendations

There are a number of emerging issues in relation to data quality and data integrity which questions the adequacy of the current ICT business system to provide timely, appropriate and quality Scheme data. It has also been relatively difficult and time consuming for changes to be implemented to rectify emerging data integrity issues. The longer that these issues remain unresolved, the harder it will be to form views on any adverse trends in Scheme experience and for management to be able to respond accordingly. It is recommended that data quality (through the Data Management Committee) be a key priority for the Agency over the next 12 months to help respond to emerging data integrity issues.

Due to the large number of participants with a ‘missing’ level of function or where the general disability tool WHODAS have been used in lieu of arguably more disability‑specific function assessment tools, it is recommended that there is a focus from the Scheme on collecting level of function information from more disability-specific tools.

There is increasing evidence that the number of children entering the Scheme is above expectations, despite management responses over the last year in respect to the Early Childhood Early Intervention gateway. It is unclear whether the right children are gaining access to the Scheme to facilitate early intervention strategies, especially for children with autism and developmental delay disabilities. It is recommended that the eligibility criteria for children be a continued point of focus for the Scheme and that the PEDI-CAT assessment tool be used as a key indicator in the determination of eligibility to the Scheme for children. Further, it is recommended that List A (conditions which are likely to meet the disability requirements in Section 24 of the NDIS Act) and List C (defined programs) in the operational guideline “Access to the NDIS” be reviewed and automatic eligibility for children aged 0-14 years via these lists be removed.

The Agency should consider the implementation of a more formal periodic review of continued eligibility for participants who have entered the Scheme via the early intervention pathway, with the intention of identifying participants from the Scheme who no longer require formal Scheme supports. This formal review may occur after certain key milestones have been reached, for example, two years after entry into the Scheme or on attainment of certain ages.

Overall, it appears that participants with high level of function as well as those in shared supported accommodation have committed supports that may be too high in comparison to the TSP benchmark. Conversely, participants with low levels of function have committed supports that are low in comparison to benchmark. A review of level of function and committed supports should be conducted for these participants to understand why their supports are so high/low respectively.

The relatively high package amounts (compared to expectations) of the highest functioning participants in the scheme has the ability to create tensions in eligibility thresholds, already being seen for younger participants in the scheme. The Agency should review the budgeted funding and resources directed to the support people with low to moderate levels of disability who do not require an individual support package.

Instilling a risk management culture across all levels of staff throughout the Agency is integral to the long term financial sustainability of the Scheme. Frontline staff and Agency partners must be supported to make eligibility and planning decisions consistent with the legislation and to understand the impact of those decisions. Extensive training is required to put Scheme sustainability at the core of the Agency’s business processes.

The existing participant pathway resources should be streamlined to reduce the volume of supporting documentation and to ensure consistency in decision making across different regions. Resources should be reviewed to ensure they highlight key risks to scheme sustainability and align with management responses.

Following the observation that a large number of staff have approved/developed a high proportion of their plans that are above benchmark, it is recommended that a review be conducted of individual Agency staff members with high proportions of their plans over benchmark to better understand what may be driving the large differences. Further, it is recommended that staff with a high proportion of their plans under benchmark should also be reviewed.

It is recommended that a review by conducted of individual staff members with low and high proportions of access ineligibility rates.

The Agency should implement more effective risk-based quality assurance around key business processes to ensure better decision making, focusing on areas that are threatening the financial sustainability of the scheme. This would include the eligibility process for new children entering the scheme, particularly children aged 0 to 6 with developmental delay and children diagnosed with autism. It would also include the controls around approval of plan reviews with annualised increases in committed supports of above 25% and large differences in initial plans against benchmark, with a specific focus on level of function

 The full-scheme roll out target is challenging given the Scheme’s significant data integrity issues (Section 2.3), the significant levels of superimposed inflation in plan reviews (Section 3.3.2), the prevalence of children above expectations within the Scheme (Section 3.2.3), continuing pressures on Scheme entry levels (Section 3.2.5), and reducing participant satisfaction levels (Section 3.6). This, combined with the need for significantly enhanced and more effective quality assurance controls (Section 5.5), mean it is critical that the capacity and capability of the agency be supported to meet the challenge.

The Agency should implement a review of the reference package and guided planning approval process taking into account the emerging scheme experience. Specific focus should be applied to areas where the average committed supports differ from expected, with analysis of the potential reasons why the difference has emerged. For example, in relation to participants with high levels of function. Where appropriate, revisions should be made to the typical support package results that emerge from the plan review and guided planning approval process. Going forward, a risk-based quality assurance process should assist in understanding differences from expectations and implementation of the Business Intelligence Strategy should assist staff in decision-making.

1. Note: when these average annual costs are multiplied by the number of participants in each cohort, the total cost of support packages is $16.5 billion. This average cost assigned to each cohort is the reference package. [↑](#footnote-ref-1)
2. The Productivity Commission assumed that for children aged 0-14 years, 30% of the average per person cost was assumed to be met by the NDIS. [↑](#footnote-ref-2)
3. Note: a new support catalogue has been introduced since full scheme transition to encourage outcome-focused support provision and alignment of supports with the higher level purposes of core, capacity building and capital support provision. Supports in historical plans have been mapped to the new support catalogue. [↑](#footnote-ref-3)
4. Level of function has been grouped according to the levels from disability function assessment tools, where a lower number reflects a higher level of function and vice versa. [↑](#footnote-ref-4)
5. Level of function has been grouped according to the levels from disability function assessment tools, where a lower number reflects a higher level of function and vice versa. [↑](#footnote-ref-5)
6. Level of function has been grouped according to the levels from disability function assessment tools, where a lower number reflects a higher level of function and vice versa. [↑](#footnote-ref-6)
7. Level of function has been grouped according to the levels from disability function assessment tools, where a lower number reflects a higher level of function and vice versa. [↑](#footnote-ref-7)
8. Level of function has been grouped according to the levels from disability function assessment tools, where a lower number reflects a higher level of function and vice versa. [↑](#footnote-ref-8)
9. Level of function has been grouped according to the levels from disability function assessment tools, where a lower number reflects a higher level of function and vice versa. [↑](#footnote-ref-9)
10. Note that the model of the bilateral agreement uses the in-kind data received from State, Territory and Commonwealth governments to date to determine the mix of cash and in-kind funding. [↑](#footnote-ref-10)
11. This holds true in 2016-17. However note that in 2018-19 when some states move to full scheme, revenue is fixed and so does not adjust for higher or lower participant numbers. [↑](#footnote-ref-11)
12. Utilisation rate is applied to cash component of supports only. A cash utilisation rate of 70% is broadly equivalent to an overall utilisation rate of 75%. [↑](#footnote-ref-12)
13. For the first time, the projection model has been adjusted to replace payments derived from an assumed payment pattern with actual payments for past months. Within the cash scenario, any shortfall in actual payments relative to the adopted utilisation scenario are assumed to catch up in the months of projection to reach the stated utilisation level. [↑](#footnote-ref-13)
14. Utilisation rates applied to cash supports only, with in kind assumed to be 100% utilised. [↑](#footnote-ref-14)
15. The 2016-17 year is complete, and therefore a best estimate of utilisation is applied consistent with recommendations to the NDIA Finance team. Subsequent years are yet to occur and therefore a scenario approach is most suitable. [↑](#footnote-ref-15)